

~~AGENCY~~
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20 August 1948

MEMORANDUM FOR: SPECIAL ASSISTANT TO THE SECRETARY OF STATE
ATTENTION: MR. FISHER HOWE

SUBJECT: FBIB Cyprus Station

1. The answers to the questions in your memorandum of 16 August are given in the order of your presentation:

a. There is no general practice to be looked to in this case. This is the only real property we have had occasion to purchase in a foreign country for monitoring purposes and is, therefore, the only case in which tax liability has arisen.

b. There is a simple cover situation in connection with this Station. It is known as an installation of the Foreign Broadcast Information Service, but its relationship with CIA has been concealed in so far as possible and is probably not generally known. The chances are FBIB is associated by most people either with State or War, or possibly FCC. We wish to continue this concealment, so it is quite logical that the title to the land be taken in the name of the Department of State. The Department will not thereby incur any responsibilities, financial or otherwise. Our immediate purpose in requesting the transfer was merely to avoid the taxes, as all property, except that held by the Department, is held to be in the same position as that of a private individual. The amount of the taxes is so small that if there is any serious problem from the Department's point of view, we can well drop the whole matter. However, if it can be done, it will incidentally help to preserve whatever cover we have left.

c. This installation will be solely an FBIB monitoring station staffed only by FBIB technicians, translators, and essential service personnel. As you know, FBIB is a semi-overt operation, subject

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only to the mild cover set forth above and is kept as a separate operating unit. There will, therefore, be no functions other than FBIR going on at the Station. Our guess is that most people think it is a State project in any case.

LAWRENCE R. HOUSTON
General Counsel

LRH:mbt